

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

In preparation for the [REDACTED], our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and certificates of exemption from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Since our headquarters and all of our business operations are not principally located, managed or conducted in Hong Kong, our Company does not, and for the foreseeable future will not, have executive Directors who are ordinarily resident in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. Our Company has made the following arrangements to maintain effective communication between the Stock Exchange and us:

- (i) both of our Company's authorized representatives, Mr. Ye LIU, an executive Director, and Ms. Pui Chun Hannah SUEN (孫佩真), a joint company secretary of our Company, will act as our Company's principal channel of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and email;
- (ii) each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;
- (iii) each Director has provided his mobile phone number, office phone number, fax number and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, he will provide the phone number of the place of his accommodation to the authorized representatives;
- (iv) each of the Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

- (v) our Company has, in compliance with Rule 3A.19 of the Listing Rules, appointed Somerley Capital Limited as our compliance adviser (the “**Compliance Adviser**”), who will also act as an additional channel of communication with the Stock Exchange for the period commencing from the [REDACTED] to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will maintain constant contact with the authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules;

- (vi) any meeting between the Stock Exchange and the Directors will be arranged through the authorized representatives or the Compliance Adviser or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our Compliance Adviser; and

- (vii) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after [REDACTED].

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the Company must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;

- (b) a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Ms. Yun JI (季芸) and Ms. Pui Chun Hannah SUEN (孫佩真) as our joint company secretaries. Ms. Ji has extensive experience in matters concerning the Board and our corporate governance. However, given that Ms. Ji does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Ji as our joint company secretary. In order to provide support to Ms. Ji, we have appointed Ms. Suen, an associate member of The Hong Kong Institute of Chartered Secretaries, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Ms. Ji, for a three-year period from the [REDACTED] so as to enable her to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties.

Such waiver will be revoked immediately if and when Ms. Suen ceases to provide such assistance. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. Ji, having had the benefit of Ms. Suen’s assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary. See “Directors, Senior Management and Advisors” of this document for further information regarding the qualifications and experience of Ms. Ji and Ms. Suen.

WAIVER AND EXEMPTION IN RESPECT OF ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES CONDUCTED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountant’s report to be included in a [REDACTED] document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accountants have been made up in respect of each of the three financial years immediately preceding the issue of the [REDACTED] document.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Pursuant to guidance letter HKEx-GL32-12 issued by the Stock Exchange (“**GL32-12**”), the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances. Pursuant to GL32-12, the Stock Exchange will ordinarily grant a waiver in relation to acquisitions of equity securities in the ordinary and usual course of business subject to the following conditions: (i) the percentage ratios (as defined under Rule 14.07 of the Listing Rules) of each acquisition are all less than 5% by reference to the most recent financial year of the applicant’s trading record period, (ii) the applicant is neither able to exercise any control, nor has any significant influence, over the underlying company or business; and (iii) the listing document should include the reasons for the acquisitions and a confirmation that the counterparties and the ultimate beneficial owners of the counterparties are Independent Third Parties of the applicant and its connected persons.

Pursuant to paragraph 32 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if the proceeds, or any part of the proceeds, of the issue of shares are applied in the purchase of any business, a separate accountants’ report in relation to the business in respect of each of the three financial years immediately preceding the issue of the [REDACTED] is required.

On October 18, 2019, Ocumension Hong Kong entered into a cooperation agreement (the “**Cooperation Agreement**”) with Suzhou Wuzhong Economic and Technological Development Zone Management Committee (蘇州吳中經濟技術開發區管理委員會) (the “**Management Committee**”), a local branch of the Suzhou government and an Independent Third Party of the Company, pursuant to which Suzhou Xiaxiang Biomedicine Co., Ltd. (蘇州夏翔生物醫藥有限公司) (“**Suzhou Xiaxiang**”) was established on October 18, 2019 by Suzhou Wuzhong Asset Management Co., Ltd. (蘇州市吳中資產經營管理有限公司), a wholly owned subsidiary of the Management Committee and will construct manufacturing facilities for us in Suzhou according to our instructions to meet our future needs. Ocumension Suzhou is obligated to acquire 100% equity interest in Suzhou Xiaxiang upon completion of the Proposed [REDACTED] or within three years from the commencement of productions of Ocumension Suzhou, whichever is earlier, on the conditions that relevant completion procedures of construction have been completed and the property ownership certificates for the manufacturing facilities to be constructed by Suzhou Xiaxiang have been obtained (the “**Suzhou Xiaxiang Acquisition**”). Before the acquisition is completed, Suzhou Xiaxiang owns the land use rights and properties of the manufacturing facilities being constructed by it, and Ocumension Suzhou will lease such manufacturing facilities from Suzhou Xiaxiang. The rent will be paid and then returned in full to Ocumension Suzhou in the form of government grant. The consideration for the acquisition will be determined based on the valuation of land use right, properties and equipment owned by Suzhou Xiaxiang by an asset appraiser. The net amount to be paid in relation to the Suzhou Xiaxiang Acquisition after deduction of government grants is expected to be no more than RMB400 million. The Company proposes to use part of the [REDACTED] from the [REDACTED] to pay for part of the consideration. See “Future Plans and Use of [REDACTED]” in this document.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

The Company (i) has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules; and (ii) has applied to the SFC for, and the SFC [has granted], a certificate of exemption pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 32 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the following grounds:

(a) Percentage ratio

Suzhou Xiaxiang was established on October 18, 2019 and it did not engage in any operation, generate any revenue or record any profit in 2019. The total assets of Suzhou Xiaxiang were nil as at December 31, 2019. The consideration for the acquisition has not been determined yet. Therefore, the applicable percentage ratios as required under Rule 14.07 of the Listing Rules are less than 5% and it will be not meaningful to disclose Suzhou Xiaxiang’s audited financial report of 2019 in this document.

(b) Undue burden to prepare historical financial information

Suzhou Xiaxiang is under full control of the Management Committee, a local branch of the Suzhou government. As such, the Company does not have full access to the relevant financial records for purposes of audit by its reporting accountant and disclosure in this document. Therefore, having considered the immateriality of Suzhou Xiaxiang, it would be unduly burdensome for the Company to prepare and include the historical financial information of Suzhou Xiaxiang in this document.

(c) Disclosure in this document

With a view of allowing the potential [REDACTED] to understand the Suzhou Xiaxiang Acquisition in greater details, the Company has disclosed in this document the following information in relation to the Suzhou Xiaxiang Acquisition, which is comparable to the information that is required to be included in the announcement of a discloseable transaction under Chapter 14 of the Listing Rules, including: (a) the identity and background information of the counterparty; (b) a confirmation that the counterparty is an independent third party of the Company; (c) the basis on which the consideration will be determined; (d) the proposed use of [REDACTED] into the transaction; (e) reasons for and benefits of the transactions; and (f) other material terms of the cooperation agreement in relation to the acquisition. Please refer to the sections headed “Business” and “Future Plans and Use of [REDACTED]” for more details.

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

The Company also undertakes that once Ocumension Suzhou enters into the share purchase agreement relating to the Suzhou Xiaxiang Acquisition in the future, it will perform size tests pursuant to Rule 14.07 of the Listing Rules and comply with requirements under Chapter 14 of the Listing Rules.

EXEMPTION FROM COMPLIANCE WITH SECTION 342(1) OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE AND PARAGRAPH 27 OF PART I OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the [REDACTED] shall include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in this document a statement as to the gross trading income or sales turnover (as the case may be) of the Company during each of the three financial years immediately preceding the issue of the [REDACTED] as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in this document a report prepared by the Company's auditor with respect to profits and losses of the Company in respect of each of the three financial years immediately preceding the issue of the [REDACTED] and the assets and liabilities of the Company at the last date to which the financial statements were prepared. According to paragraph 40 of Part III of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, if in the case of a company which has been carrying on business, or of a business which has been carried on for less than three years, the financial statements of the company or business have only been prepared in respect of two years or one year, Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance shall have effect as if references to two years or one year, as the case may be, were substituted for references to three years. As such, references to "three years" under paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would not be strictly applicable if paragraph 40 of Part III of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance applies to the Company.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountant’s Report contained in this document must include, inter alia, the results of the Company in respect of each of the three financial years immediately preceding the issue of the [REDACTED] or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 modified so that references to “three financial years” or “three years” in that rule shall instead reference to “two financial years” or “two years” as the case may be. Accordingly, we applied to the SFC for, and the SFC [has granted], a certificate of exemption from strict compliance with the requirements under section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the conditions that the particulars of the exemption are set forth in this document, on the following grounds:

- (a) our Company is primarily engaged in the research and development, application and commercialization of biotech products, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;
- (b) the Accountant’s Report for each of the two financial years ended December 31, 2019 has been prepared and is set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;
- (c) During the Track Record Period, we only generated revenue of approximately RMB0.2 million in 2019 from the limited sales of OT-401 under the Boao Pilot Program. We have just begun to commercialize two approved drug products in China, Ou Qin and brimonidine tartrate eye drop. Save as disclosed above, we have never generated any revenue from product sales during the Track Record Period. Details of major financing activities conducted by us since our incorporation have been fully disclosed in the section headed “History, Restructuring and Corporate Structure—Major Corporate Development and Shareholding Changes of Our Group” of this document;
- (d) notwithstanding that the financial results set out in this document are only for the two years ended December 31, 2019 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and

WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

- (e) furthermore, Chapter 18A of the Listing Rules provides that the track record period for biotech companies in terms of financial disclosure is two years. As the Company was incorporated in February 2018 and accordingly it has no financial information of 2017, section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance and paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance would not be strictly applicable to our Company.

Our Company is of the view that the Accountant's Report covering the two financial years ended December 31, 2019, together with other disclosure in this document, has already provided the potential [REDACTED] with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company; and our Directors confirm that all information which is necessary for the [REDACTED] to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this document. Therefore, the exemption would not prejudice the interests of the [REDACTED].